

# 31<sup>st</sup> **ANNUAL REPORT**

2011



**Group**

**SHREYANS INDUSTRIES LIMITED**



**INSPIRING US**



**LATE SH. D.K. OSWAL**  
**(1940 - 2007)**

**We live by your values.**  
**Honesty, Generosity, Compassion and Selflessness.**



**BOARD OF DIRECTORS**

SH. RAJNEESH OSWAL, Chairman and Managing Director  
 SH. VISHAL OSWAL, Vice Chairman and Managing Director  
 SH. KUNAL OSWAL, Whole Time Director  
 SH. A.K CHAKRABORTY  
 SH. R. C. SINGAL  
 SH. M.L. GUPTA  
 DR. N. J. RAO  
 SH. ANIL KUMAR, Executive Director and C.E.O

**COMPANY SECRETARY**

MR. VIPIN KUMAR BHATIA

**BANKERS**

STATE BANK OF PATIALA  
 BANK OF INDIA  
 STATE BANK OF MAURITIUS

**STATUTORY AUDITORS**

M/s. S.C. VASUDEVA & CO., NEW DELHI

**REGISTRAR & TRANSFER AGENTS**

M/s. SKYLINE FINANCIAL SERVICES (P) LIMITED  
 D-153/A, 1ST FLOOR OKHLA INDUSTRIAL AREA PHASE - I  
 NEW DELHI - 110020

**REGISTERED & CORPORATE OFFICE**

VILLAGE - BHOLAPUR. P.O. SAHABANA  
 CHANDIGARH ROAD, LUDHIANA- 141123. (PUNJAB)

**WORKS**

1. SHREYANS PAPERS, AHMEDGARH, DISTT. SANGRUR (PB.)
2. SHREE RISHABH PAPERS, VILLAGE BANAH, DISTT. S. B. S. NAGAR (PB.)

**BRANCHES**

1. 4-J & E, GOPALA TOWER,  
25, RAJENDRA PLACE, NEW DELHI-110008
2. 302, RAHEJA CHAMBERS,  
NARIMAN POINT, MUMBAI-400021

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**NOTICE**

Notice is hereby given that the 31st Annual General Meeting of the members of the Company will be held on Tuesday the 30<sup>th</sup> day of August, 2011 at 11.00 A.M. at the Registered Office of the Company at Village Bholapur, P.O. Sahabana, Chandigarh Road, Ludhiana to transact the following business;

**AS ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Sh. M.L. Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Dr. N.J. Rao, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

**AS SPECIAL BUSINESS****5. TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION (S), THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION :**

"RESOLVED THAT pursuant to Section 293(1)(a) of the Companies Act, 1956 and in furtherance to the resolution(s) passed by the company from time to time, consent of the company be and is hereby accorded to the Board of Directors of the company to mortgage and/ or charge the movable and/ or immovable assets, both present & future, of the company, where ever situated and/ or the whole of the undertaking(s) of the company together with power to take over the management of the business and concern of the company, in certain events of default, to secure the repayment of following loans.

1. Rs. 1000 Lacs term loan from State Bank of Patiala
2. Rs. 1500 Lacs term loan from State Bank of Patiala
3. Rs. 100 Lacs term loan from Life Insurance Corporation of India
4. Rs. 2629 Lacs working capital facilities from State Bank of Patiala
5. Rs. 560 Lacs working capital facilities from Bank of India
6. Rs. 240 Lacs working capital facilities from IDBI Bank Ltd.
7. for any further increase in working capital facilities, upto Rs. 5000 lacs, to be sanctioned to the company in one or more trenches, by any consortium of banks led by State Bank of Patiala.
8. for any further amount of term loans up to Rs. 5000 lacs, to be sanctioned to the company in future, in one or more trenches, by any Bank/ Financial Institution.

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to finalise with the respective lenders, documents or such other agreements for creating mortgage and/ or charge and/ or hypothecation as may be required and to do all other acts, deeds, matters and things as may be necessary or expedient for the purpose of giving effect to the forgoing resolution"

"RESOLVED FURTHER THAT all acts, deeds and things already done by the Board of Directors to give effect to the forgoing resolutions be and are hereby approved and ratified by the company."

**6. TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION (S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION :**

"RESOLVED THAT pursuant to the provisions of Section 198, 269,309,310 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Rules made there under including any statutory modification or re-enactment thereof and subject to the approval of the Central Government and such other approvals as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Sh. Rajneesh Oswal, as the Chairman & Managing Director of the Company for a further period of five

years with effect from 1st August, 2011 on the remuneration, terms and conditions as approved by the remuneration committee and set out in the agreement, to be entered into between the Company and Sh. Rajneesh Oswal, draft of which is submitted to this meeting and the same is hereby specifically approved."

"RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to alter or increase/ vary the terms and conditions of the said remuneration and/ or agreement in such form and manner or with such modifications as the Board may deem fit and as may be acceptable to Sh. Rajneesh Oswal without referring the same to the General Meeting again, subject to consents/ approvals, if any, required in this regard."

"RESOLVED FURTHER THAT where in any Financial Year, the Company has no profits or its profits are inadequate during the tenure of office of Sh. Rajneesh Oswal, the remuneration aforesaid shall be paid as the minimum remuneration."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolutions."

**7. TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION (S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION :**

"RESOLVED THAT pursuant to the provisions of Section 198, 269,309,310 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof and subject to the approval of the Central Government and such other approvals, as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Sh. Vishal Oswal, as the Vice Chairman & Managing Director of the Company for a further period of four years with effect from 1st August, 2011 on the remuneration, terms and conditions as approved by the remuneration committee and set out in the agreement, to be entered into between the Company and Sh. Vishal Oswal, draft of which is submitted to this meeting and the same is hereby specifically approved."

"RESOLVED FURTHER THAT Board of Directors be and is hereby authorised to alter, or increase and vary the terms and conditions of the said re-appointment and/ or agreement in such form and manner or with such modifications as the Board may deem fit and as may be acceptable to Sh. Vishal Oswal without referring the same to the General Meeting again, subject to consents/ approvals, if any, required in this regard."

"RESOLVED FURTHER THAT where in any Financial Year, the Company has no profits or its profits are inadequate during the tenure of office of Sh. Vishal Oswal, the remuneration aforesaid shall be the minimum remuneration."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolutions."

**8. TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION (S), THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION :**

"RESOLVED THAT pursuant to the provisions of Section 198, 269,309, 310 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification or re-enactment thereof and subject to the approval of the Central Government and such other approvals, as may be necessary, consent of the Company be and is hereby accorded to the re-appointment of Sh. Anil Kumar, as the Executive Director & Chief Executive Officer of the Company for a further period of three years with effect from 30th August, 2011 on

the remuneration, terms and conditions as set out in the agreement, to be entered into between the Company and Sh. Anil Kumar, as submitted to this meeting which is hereby specifically approved."

**"RESOLVED FURTHER THAT** Board of Directors be and is hereby authorised to alter, or increase and vary the terms and conditions of the said re-appointment and/ or agreement in such form and manner or with such modifications as the Board may deem fit or as may be prescribed by the Central Government while granting necessary approvals in this regard and as may be acceptable to Sh. Anil Kumar without referring the same to the General Meeting again, subject to consents/ approvals, if any, required in this regard."

**"RESOLVED FURTHER THAT** where in any Financial Year, the Company has no profits or its profits are inadequate during the tenure of office of Sh. Anil Kumar, the remuneration aforesaid shall be the minimum remuneration."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolutions."

#### NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

1. The Register of Members and Share Transfer books of the Company shall remain closed from Thursday, the 25<sup>th</sup> day of August, 2011 to , Tuesday the 30<sup>th</sup> day of August, 2011 (both days inclusive), for the purpose of AGM, for both physical and electronic segments.

2. Members/proxies are requested to bring their copy of Annual Report to the Meeting.

3. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their question in writing to the Company, so as to reach the registered office of the Company at least 10 days before the date of the meeting so that information required may be made available at the time of the Meeting.

4. Members are requested to :

- (i) Quote their folio number/Client ID & DP-ID in all correspondence with the company.
- (ii) Notify immediately to the company any change in their address/ mandate, if any.
- (iii) Register their e.mail id with the company or its registrar or their depository participant to enable the company to send notices and other reports through e. mail.

5. Shares of the Company are available for De-Materialization under **ISIN - INE231C01019**. Members who have not opted for De-Materialization are requested to do so in their own interest.

6. Shareholders/ Proxy holders are requested to produce at the entrance, the attached admission slip duly completed and signed, for admission to the Meeting Hall.

Please note that the meeting is for members or their proxies only. Please avoid being accompanied by non-members and children.

By order of the Board  
For Shreyans Industries Limited

Place : Ludhiana  
Dated : 28<sup>th</sup> May, 2011

**Vipin Kumar Bhatia**  
**(Company Secretary)**

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 , FORMING PART OF THE NOTICE OF ANNUAL GENERAL MEETING FOR ITEM NO. 5**

Company had availed off various loans from time to time. The company is required to create mortgage by deposit of title deeds in respect of the immovable assets / fixed assets of the company. Creation of security on immovable assets by way of equitable mortgage by the Board of Directors requires authority from company in terms of Section 293(1)(a) of the Companies Act, 1956. However, the mortgage by deposit of title deeds does not tantamount to the disposal of property within the meaning of Section 293(1)(a) of the Companies Act, 1956 in terms of the than DCA circular dated 05.09.1969. Hence the compliance of postal ballot rules are not required.

Accordingly an enabling resolution is proposed as an ordinary resolution at the Item No. 5.

Directors of your company recommend the above resolution for your consideration and approval.

#### **NOTICE OF INTEREST**

None of the directors, is in anyway interested in the proposed resolution.

#### **FOR ITEM NO. 6**

Sh. Rajneesh Oswal is permanent Director of the Company. Company had re-appointed Sh. Rajneesh Oswal as Chairman & Managing Director w.e.f.1<sup>st</sup> August 2008 at AGM held on 27<sup>th</sup> September, 2008.

The Board of Directors at its meeting held on 28th May, 2011, has approved the re- appointment of Sh. Rajneesh Oswal as Chairman & Managing Director for a further period of five years i.e. from 1st August, 2011 to 31st July, 2016, on such remuneration as mentioned hereunder and on such terms and conditions as set out in the draft agreement which is open for inspection at Registered Office of the Company on any working day between 10.30 A.M. to 12.30 P.M.

The payment of remuneration to Sh. Rajneesh Oswal, Chairman & Managing Director is subject to the approval of Shareholders in terms of section 198, 269, 309, 310 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Rules made there under.

The Principal terms of remuneration of Sh. Rajneesh Oswal, Chairman & Managing Director as approved by the remuneration committee of the Company for a period of five years starting from 1<sup>st</sup> August, 2011 are as follows:

#### **(1) SALARY :**

Sh. Rajneesh Oswal, Chairman & Managing Director shall be paid a salary of Rs. 6,00,000/- only per month.

#### **(2) PERQUISITES AND ALLOWANCES :**

(i) The expenditure pertaining to gas, electricity, water, furnishings and other utilities including repairs will be borne/reimbursed by the Company and shall be valued as per the Income Tax Rules, 1962 or in accordance with such other directions/ clarifications as may be issued by the Ministry of Corporate Affairs , subject to maximum of 10% of basic salary.

(ii) Reimbursement of expenses on medical treatment incurred by the appointee and his family subject to ceiling of one month salary in a year or five months salary over a period of five years.

(iii) Fee of clubs subject to a maximum of two clubs excluding admission and life membership fees and maximum of Rs 50000/- P.A.

(iv) Premium not to exceed Rs. 10,000/- per annum for personal accident insurance.

(v) Leave travel concession for self and family members as per company's rules.

(vi) Provision of Car for official -cum-personal use.

(vii) Provision of Telephone at residence for official-cum-personal use.



(3) In addition to the perquisites as aforesaid, Sh. Rajneesh Oswal, Chairman & Managing Director shall also be entitled to the following benefits in accordance with the Rules of the Company, which shall not be included in the computation of ceiling on remuneration:

(i) Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(iii) Encashment of leave at the end of the tenure.

(4) Reimbursement of all entertainment, traveling, hotel and other expenses incurred by Sh. Rajneesh Oswal, Chairman & Managing Director during the course of and in connection with the business of the Company.

(5) No sitting fees shall be paid to Sh. Rajneesh Oswal, Chairman & Managing Director for attending the meeting of Board of Directors or any Committee thereof.

#### **(6) MINIMUM REMUNERATION**

In the event of inadequacy or absence of profits in any financial year during his tenure, Sh. Rajneesh Oswal, Chairman & Managing Director will be entitled to above remuneration along with the perquisites/ benefits mentioned above by way of minimum remuneration.

#### **The above shall also be treated as an Abstract and Memorandum of Interest under section 302 of the Companies Act, 1956.**

Necessary resolution is proposed at item no. 6 of the aforesaid agenda as special resolution. Directors of your company recommend the above resolution for your consideration and approval.

#### **NOTICE OF INTEREST**

None of the directors, except Sh. Rajneesh Oswal, the appointee himself, Sh. Vishal Oswal and Sh. Kunal Oswal, being relatives of Sh. Rajneesh Oswal, are interested in the proposed resolution.

#### **FOR ITEM NO. 7**

Company had re-appointed Sh. Vishal Oswal as Vice Chairman & Managing Director w.e.f. 1<sup>st</sup> August 2008 at AGM held on 27<sup>th</sup> September, 2008.

The Board of Directors at its meeting held on 28<sup>th</sup> May, 2011, has approved the re- appointment of Sh. Vishal Oswal as Vice-Chairman & Managing Director for a further period of four years i.e. from 1<sup>st</sup> August, 2011 to 31<sup>st</sup> July, 2015, on such remuneration as mentioned hereunder and on such terms and conditions as set out in the draft agreement which is open for inspection at Registered Office of the Company on any working day between 10.30 A.M. to 12.30 P.M.

The remuneration of Sh. Vishal Oswal is subject to the approval of Shareholders in terms of section 198, 269, 309, 310 and 314, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and Rules made there under:

The Principal terms of remuneration of Sh. Vishal Oswal as approved by the remuneration committee of the Company for a period of four years starting from 1<sup>st</sup> August, 2011 are as follows

#### **(1) SALARY**

Sh. Vishal Oswal, Vice Chairman & Managing Director shall be paid a salary of Rs.6,00,000/- only per month.

#### **(2) PERQUISITES AND ALLOWANCES**

(i) The expenditure pertaining to gas, electricity, water, furnishings and other utilities including repairs will be borne/reimbursed by the Company and shall be valued as per the Income Tax Rules, 1962 or in accordance with such other directions/ clarifications as may be issued by the Ministry of Corporate Affairs subject to

maximum of 10% of basic salary.

(ii) Reimbursement of expenses on medical treatment incurred by the appointee and his family subject to ceiling of one month salary in a year or four months salary over a period of four years.

(iii) Fee of clubs subject to a maximum of two clubs excluding admission and life membership fees and maximum of Rs. 50000/- P.A.

(iv) Premium not to exceed Rs. 10,000/- per annum for personal accident insurance.

(v) Leave travel concession for self and family members as per company's rules.

(vi) Provision of Car for official -cum- personal use.

(vii) Provision of Telephone at residence for official-cum-personal use.

(3) In addition to the perquisites as aforesaid, Sh. Vishal Oswal, Vice Chairman & Managing Director shall also be entitled to the following benefits in accordance with the Rules of the Company, which shall not be included in the computation of ceiling on remuneration:

(i) Contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(iii) Encashment of leave at the end of the tenure.

(4) Reimbursement of all entertainment, traveling, hotel and other expenses incurred by Sh. Vishal Oswal, Vice Chairman & Managing Director during the course of and in connection with the business of the Company.

(5) No sitting fees shall be paid to Sh. Vishal Oswal, Vice Chairman & Managing Director for attending the meeting of Board of Directors or any Committee thereof.

#### **(6) MINIMUM REMUNERATION**

In the event of inadequacy or absence of profits in any financial year during his tenure, Sh. Vishal Oswal, Vice Chairman & Managing Director will be entitled to above remuneration along with the perquisites/ benefits mentioned above by way of minimum remuneration.

#### **The above shall also be treated as an Abstract and Memorandum of Interest under section 302 of the Companies Act, 1956.**

Necessary resolution is proposed at item no. 7 of the aforesaid agenda as special resolution. Director of your company recommend the above resolution for your consideration and approval.

#### **NOTICE OF INTEREST**

None of the directors, except Sh. Vishal Oswal, the appointee himself, Sh. Rajneesh Oswal and Sh. Kunal Oswal, being relatives of Sh. Vishal Oswal, are interested in the proposed resolution.

#### **For Item No. 8**

Company had re- appointed Sh. Anil Kumar As Executive Director & CEO for a term of five years at Annual General Meeting held on 30<sup>th</sup> June, 2006. The present term of appointment of Sh Anil Kumar expires on 29<sup>th</sup> August, 2011.

The Board of Directors in its meeting held on 28<sup>th</sup> May, 2011 has approved the re-appointment of Sh. Anil Kumar for the further period of three years i.e. from 30<sup>th</sup> August, 2011 to 29<sup>th</sup> August, 2014 on such remuneration as mentioned hereunder and on such terms and conditions as set out in the draft agreement which is open for inspection at Registered office of the Company on any working day between 10.30 A.M. to 12.30 P.M.



The remuneration of Sh. Anil Kumar is subject to the approval of Shareholders as well as the Central Government in terms of section 198, 269, 309, 310 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and rules made there under.

The Principal terms of remuneration of Sh. Anil Kumar as approved by the remuneration committee of the Company for a period of three years starting from 30.08.2011 are as follows:

#### 1. SALARY

The Executive Director & CEO shall be paid a salary in the scale of Rs. 250000/- -- 200000/- -- 290000/- only per month.

PERFORMANCE INCENTIVE: As may be decided by the Board on year to year basis, but not exceeding 12 month salary.

#### 2. PERQUISITES AND ALLOWANCES

Furnished residential accommodation with gas, electricity, water and furnishings.

(i) The expenditure for the company for hiring furnished accommodation for the Executive Director & CEO shall not exceed 60% of salary, over and above 10% is payable by the Executive Director & CEO.

Where ever the company does not provide the accommodation for their managerial personnel, the house rent may be paid by the company to the Executive Director & CEO as per (i) above. Where accommodation is a company's owned house, is provided, the Executive Director shall pay to the company by way of rent, calculated @ 10% of the salary.

(ii) The monetary expenditure incurred by the company on gas, electricity, water, furnishings and other utilities including repairs will be borne/reimbursed by the Company and shall be valued as per the Income Tax Rules, 1962 or in accordance with such other directions/ clarifications as may be issued by the Ministry of Corporate Affairs. This will however be subject to a ceiling of 10% of the salary of the Executive Director & CEO.

(iii) Reimbursement of expenses on medical treatment incurred by the appointee and his family subject to ceiling of one month salary in a year or three months salary over a period of three years.

(iv) Fee of clubs subject to a maximum of two clubs, excluding admission and life membership fees subject to maximum of Rs. 50000/-.

(v) Premium not to exceed Rs. 10,000/- per annum for personal accident insurance.

(vi) Leave travel concession for self and family members as per company's rules.

(vii) Provision of Car for official -cum-personal use, however, the valuation for personal use of car shall be treated as perquisite in the hands of appointee.

(viii) Provision of Telephone at residence for official-cum-personal use. However, the valuation of personal use of telephone shall be treated as perquisite of the appointee.

3. In addition to the perquisites as aforesaid, the Executive Director & CEO shall also be entitled to the following benefits in accordance with the Rules of the Company, which shall not be included in the computation of ceiling on remuneration:

(i) Contribution to Provident Fund, Super Annuity Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

(ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(iii) Encashment of leave at the end of the tenure.

4. Reimbursement of all entertainment, traveling, hotel and other expenses incurred by the Executive Director & CEO during the course of and in connection with the business of the Company.

5. No sitting fees shall be paid to the Executive Director & CEO for attending the meeting of Board of Directors or any Committee thereof.

#### 6. MINIMUM REMUNERATION

In the event of inadequacy or absence of profits in any financial year during his tenure, the Executive Director & CEO will be entitled to above remuneration along with the perquisites/ benefits mentioned above by way of minimum remuneration.

#### The above shall also be treated as an Abstract and Memorandum of Interest under section 302 of the Companies Act, 1956.

Necessary resolution is proposed at item no. 7 of the aforesaid agenda as special resolution. Director of your company recommends the passing of above resolution.

#### NOTICE OF INTEREST

None of the directors, except Sh. Anil Kumar, the appointee himself is interested in the proposed resolution.

#### Re-appointment of Directors

At the ensuing Annual General Meeting, Sh. M.L. Gupta and Dr. N.J. Rao, Directors of the Company will retire and being eligible, offer themselves for re-appointment. Further it is proposed to re-appoint Sh. Rajneesh Oswal as Chairman & Managing Director and Sh. Vishal Oswal as Vice Chairman & Managing Director and Sh. Anil Kumar as Executive Director & CEO of the Company. Information as per clause 49 of the Listing Agreement on Corporate Governance is given below.

**Mr. Madan Lal Gupta** aged 69 years is an Independent Non-Executive Director of the Company with effect from June 25, 2004. He has worked with IDBI at senior level position for more than two decades. He had also worked as a Deputy Director with BIFR. He has vast experience in the field of finance. Sh. Madan Lal Gupta is holding office of director in Raunag Automobiles Co. Ltd. and also a member of Audit Committee and Share Transfer cum Investor Grievance Committee of the Board of this company.

Sh. Madan Lal Gupta does not hold any shares of the company.

**Dr. N.J. Rao**, aged 67 years is an Independent Non-Executive Director of the Company with effect from 26.12.2003. Dr. N.J. Rao is a paper technocrat and scholar with Ph.D in Chemical Engineering. He has vast and varied experience in the various technical aspects connected with paper industry. Presently he is working as Vice Chancellor, JAYPEE University of Engineering & Technology, Guna, M.P. Dr. N.J. Rao has traveled to many countries and presented his papers at various international fora. His guidance and advice has contributed in the progress of the company.

Dr. N.J. Rao is not holding office of Director in any other Company. However he is member of Governing Council of Thaper Centre for Industrial Research & Development, Patiala. Dr. N.J. Rao does not hold any share in the company.

Introduction and Details of Sh. Rajneesh Oswal, Sh. Vishal Oswal and Sh. Anil Kumar is given hereunder in the statement of details.

#### Statement of the details as required under Schedule XIII of the Companies Act, 1956 (as amended) is as under :

##### I. General Information

##### (1) Nature of Industry:

The Company is engaged in the manufacturing of writing and Printing paper from Agricultural residues.

##### 2) Date of Commencement of: Company started its Commercial Production in May 1982

##### (3) Financial Performance :

Financial Performance of the Company for the years ended 31.03.2010 and 31.03.2011 are as under

(Rs. In Lacs)

	2010-11	2009-10
<b>Gross Sales</b>	<b>26418.44</b>	<b>24562.01</b>
<b>Gross Profit (PBDIT)</b>	<b>1734.71</b>	<b>2220.35</b>
<b>Less. Interest</b>	<b>450.56</b>	<b>577.97</b>
<b>Less. Depreciation</b>	<b>866.89</b>	<b>848.08</b>
<b>Net Profit before Tax</b>	<b>417.26</b>	<b>794.30</b>
<b>Provision for Taxation</b>	<b>(54.78)</b>	<b>252.79</b>
<b>Net Profit after Tax</b>	<b>472.04</b>	<b>541.51</b>

**Export Performance and Net Foreign Exchange Collaboration**

(Rs. In Lacs)

	2010-11	2009-10
<b>Foreign Exchange Earning</b>	<b>652.45</b>	<b>306.34</b>
<b>Less. Foreign Exchange Outgo</b>	<b>1268.03</b>	<b>875.15</b>
<b>Net Foreign Exchange Earning</b>	<b>[615.58]</b>	<b>[568.81]</b>

(5) **Foreign Investments or Collaboration** : The Company has not made any investments in foreign funds / securities and has no foreign collaborations.

**2. INFORMATION ABOUT THE APPOINTEE(S)****A. NAME Sh. Rajneesh Oswal****i) Back Ground Details, Job Profile and suitability:**

**Sh. Rajneesh Oswal** aged about 45 years is the Chairman & Managing Director of the Company. He joined the Company as a Director on 30th June 1989 and was made the Executive Vice Chairman of the Company in year 2003. Thereafter he was appointed as the Vice Chairman & Joint Managing Director of the Company in year 2006. He was appointed as Chairman & Managing Director of the Company on 20<sup>th</sup> March, 2007. He is a Commerce Graduate and has done Masters in Business Management. He has career spanning of over two decades in the field of industry and administration. His vast and rich experience has enabled the company to achieve the good progress.

Sh. Rajneesh Oswal is permanent Director of the Company. He is also holding the Office of Whole Time Director designated as Executive Director in Adinath Textiles Ltd. and Director in the following companies.

1. Adeep Investment Co.
2. Virat Investment & Mercantile Co.
3. Jagvallah Parasnath Capital Investment (P). Ltd.
4. Oasis Share Trading (P) Ltd.

**ii) Past Remuneration**

Sh. Rajneesh Oswal is presently working as Chairman & Managing Director of the Company and his present remuneration is approved at 28th Annual General Meeting held on 27<sup>th</sup> September, 2008 and also approved by the Central Government. The remuneration drawn by Sh. Rajneesh Oswal during last three years is as under

Financial Year Ended	Amount (Rs.)
31.03.2009	6356411/-
31.03.2010	6873897/-
31.03.2011	6965335/-

**iii) Remuneration proposed:**

The new remuneration package in the shape of Salary and Perquisites has already been stated above in the Explanatory Statement.

**iv) Pecuniary relationship**

Sh. Rajneesh Oswal, except his appointment as Chairman & Managing Director of the company, has no pecuniary relation with the company.

**B. NAME Sh. Vishal Oswal****i) Back Ground Details, Job Profile and suitability:**

**Mr. Vishal Oswal** aged about 39 years is Vice Chairman & Managing Director of the Company. He joined the Company as

Manager (Commercial & Administration). He was inducted to the Board as a Director of the Company on 31st July 1999 and was made Whole Time Director of the Company. Mr. Vishal Oswal was made Vice Chairman & Managing Director on 20<sup>th</sup> March 2007. He is a Commerce Graduate and has a good experience of a decade in the field of management & administration.

Sh. Vishal Oswal is holding the Office of Director in the following companies.

1. Achin Investment & Mercantile Co.
2. Levina Investment & Mercantile Co.
3. Ojasvi Investment & Mercantile Co.
4. Oasis Share Trading (P) Ltd.

**ii) Past Remuneration**

Sh. Vishal Oswal is presently working as Vice Chairman & Managing Director of the Company and his present remuneration as approved at 28<sup>th</sup> General Meeting held on 27<sup>th</sup> September, 2008 and also approved by the Central Government.

The remuneration drawn by Sh. Vishal Oswal during last three years is as under

Financial Year Ended	Amount (Rs.)
31.03.2009	6570466/-
31.03.2010	7591603/-
31.03.2011	6958113/-

**iii) Remuneration proposed:**

The new remuneration package in the shape of Salary and Perquisites has already been stated above in the Explanatory Statement.

**iv) Pecuniary relationship**

Sh. Vishal Oswal, except his appointment as Vice Chairman & Managing Director of the company, has no pecuniary relation with the company.

**C. Name Sh. Anil Kumar**

Mr. Anil Kumar aged 61 years is the Executive Director & CEO of the Company. He joined the Company as General Manager and was inducted to the Board as a Executive Director on 30th August 1988. He holds a degree in Engineering from Punjab University, Chandigarh and has done Masters in Business Administration from Punjab University. He has been the Finance Manager of Vardhman Spinning & General Mills Limited and has vast experience in the field of Finance and General Administration. He is associated with the company right from beginning and contributed a lot to the progress of the company.

Sh. Anil Kumar is also holding office of Director in Sohrab Spinning Mills Limited

Company had re-appointed Sh. Anil Kumar As Executive Director & CEO for a term of five years at Annual General Meeting held on 30<sup>th</sup> June 2006. Accordingly the present term of appointment of Sh Anil Kumar expires on 29th August, 2011.

The present remuneration of Sh. Anil Kumar is approved at 26<sup>th</sup> General Meeting held on 30<sup>th</sup> June, 2006 and also approved by the Central Government.

The remuneration drawn by Sh. Anil Kumar during last three years is as under

Financial Year Ended	Amount (Rs.)
31.03.2009	5714569/-
31.03.2010	5993616/-
31.03.2011	6494198/-

**iii) Remuneration proposed:**

The new remuneration package in the shape of Salary and Perquisites has already been stated above in the Explanatory Statement.

**iv) Pecuniary relationship**

Sh. Anil Kumar, except his appointment as Executive Director & CEO of the company, has no pecuniary relation with the company.